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| <p>TO:</p> <p style="text-align: center;">Commissioner of Patents P.O. Box 1450 Alexandria, VA 22313-1450</p> | <p>REPORT ON THE FILING OR DETERMINATION OF AN ACTION REGARDING A PATENT OR TRADEMARK</p> |
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In Compliance with 35 § 290 and/or 15 U.S.C. § 1116 you are hereby advised that a court action has been filed in the U.S. District Court Colorado on the following Patents

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| DOCKET NO. 11-cv-01361 | DATE FILED 5/23/11 | U.S. DISTRICT COURT FOR THE DISTRICT OF COLORADO | |
| PLAINTIFF Transzap, Inc. | | DEFENDANT Supply Chain Connect, LLC | |
| PATENT OR | DATE OF PATENT | HOLDER OF PATENT OR TRADEMARK | |
| 1 <u>7,451,107</u> | | Please see copy of Complaint attached hereto | |
| 2 <u>7,945,498</u> | | | |
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In the above—entitled case, the following patent(s) have been included:

| | | | |
|---------------|--|-------------------------------|--|
| DATE INCLUDED | INCLUDED BY | | |
| | <input type="checkbox"/> Amendment <input type="checkbox"/> Answer <input type="checkbox"/> Cross Bill <input type="checkbox"/> Other Pleading | | |
| PATENT OR | DATE OF PATENT OR TRADEMARK | HOLDER OF PATENT OR TRADEMARK | |
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In the above—entitled case, the following decision has been rendered or judgement issued:

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| DECISION/JUDGEMENT |
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| CLERK GREGORY C. LANGHAM | (BY) DEPUTY CLERK | DATE |
|------------------------------------|-------------------|------|

Copy 1—Upon initiation of action, mail this copy to Commissioner Copy 3—Upon termination of action, mail this copy to
 Copy 2—Upon filing document adding patent(s), mail this copy to Commissioner Copy 4—Case file copy

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO**

Civil Action No. _____

Transzap, Inc., a Delaware corporation,

Plaintiff

v.

Supply Chain Connect, LLC, a Delaware corporation

Defendant

COMPLAINT FOR DECLARATORY JUDGMENT AND JURY DEMAND

COMES NOW the Plaintiff, Transzap, Inc., by and through their counsel Polsinelli Shughart PC, and asserts the following Complaint against the above named Defendant, stating as follows:

The Parties

1. Transzap, Inc., is a Delaware corporation with its principal place of business at 1999 Broadway, Suite 1900, Denver, Colorado 80202.

2. On information and belief, Supply Chain Connect, LLC ("SCC") is a Delaware limited liability corporation with its principal place of business at 2429 Bissonnet, Suite 471, Houston, Texas 77005.

Jurisdiction and Venue

3. This is a declaratory judgment action in which Transzap seeks a determination that it does not infringe any valid claims of U.S. Patent No. 7,451,107 ("the '107 Patent") under 35 U.S.C. § 271; that the claims of the '107 Patent are invalid under at least 35 U.S.C. §§ 102,

103, 112, and/or 305; that it does not infringe any valid claims of U.S. Patent No. 7,945,498 ("the '498 Patent") under 35 U.S.C. § 271; and that the claims of the '498 Patent are invalid under at least 35 U.S.C. §§ 102, 103, and/or 112.

4. On information and belief, this Court has personal jurisdiction over SCC because Defendant, by and through its agents, does business in the State of Colorado and throughout the United States.

5. This Court has subject matter jurisdiction over Transzap's claims under 28 U.S.C. §§ 1331 and 1338(a) because those claims arise under the patent laws of the United States, 35 U.S.C. §§ 101, et seq., and under the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202.

6. Venue is proper in this judicial district under 28 U.S.C. §§ 1391(b) and (c).

Factual Background

7. U.S. Patent No. 7,451,107 ("the '107 Patent") is entitled "Business-to-Business Electronic Commerce Clearinghouse" and issued on November 11, 2008, a true and correct copy of which is attached hereto as **Exhibit A**.

8. On information and belief, SCC is the owner by assignment of the '107 patent. See Ex. A.

9. U.S. Patent No. 7,945,498 ("the '498 Patent") is entitled "Method for Facilitating Chemical Supplier Transmissions" and issued May 17, 2011, a true and correct copy of which is attached hereto as **Exhibit B**.

10. On information and belief, SCC is the owner by assignment of the '498 patent. See Ex. B.

11. On April 26, 2011, SCC sent Transzap a letter entitled "Notice to Oildex, a service of Transzap, Inc. to Cease and Desist from Infringement of US Patent 7,451,107; Offer

of License.” A copy of SCC’s Cease and Desist letter is attached hereto as **Exhibit C** (the “Letter”).

12. The Letter asserted that Oildex, a service of Transzap, infringes the ‘107 Patent and the soon to be issued ‘498 patent through the sale of its electronic invoice processing programs, Spendworks and Revenueworks.

13. The Letter stated, **“We hereby demand that Oildex forthwith cease all infringement of the ‘107 patent immediately upon receipt hereof. Any further infringement of the ‘107 patent will be regarded as willful and deliberate under 35 U.S.C. § 284.”** See Ex. C, p. 5 (emphasis in original).

14. The Letter further stated, “Oildex clearly performs the steps recited in [Claim 20 of the ‘498 Patent].” *Id.* at p. 6. And further advised Transzap to “consider the scope of [that claim] and the need to implement changes to your operating system so as to adopt a manner of use that avoids any and all activities that may fall within the scope [of that claim].” *Id.*

15. The Letter further identified an additional pending patent application, US Serial No. 13/081,393, presumably also assigned to SCC, and detailed how Transzap’s products would fall under the scope of any claim issued from that application. *See id.* at pp. 6-7.

16. Additionally, the Letter warned that “litigation to a permanent injunction and a potentially large damage award [c]an be costly and time consuming for all parties involved.” *Id.* at p. 7.

17. SCC’s Letter also states that it is willing to license the ‘107 Patent, the ‘498 Patent, the pending application, and any future applications to Transzap for a “one-time upfront discounted non-exclusive license fee equal to \$15,000 per integrated trading member site.” *Id.*

18. SCC provided a deadline of May 23, 2011, for Transzap to respond, otherwise SCC “will assume there is no interest in an amicable resolution and will proceed accordingly.”

Id. at p. 8.

19. Based on the foregoing, there is a substantial controversy between Transzap and SCC, and Transzap has a reasonable apprehension of being sued by SCC.

20. In light of the May 23, 2011, deadline imposed by SCC, this controversy is of sufficient immediacy and reality to justify the issuance of a declaratory judgment regarding the parties’ respective rights as they relate to the ‘107 Patent and the ‘498 Patent. In addition, Transzap believes that the claims of the ‘107 Patent and the ‘498 Patent are invalid.

Count I

Declaratory Judgment of Noninfringement – ‘107 Patent

21. Transzap incorporates by reference the allegations of paragraphs 1-20 above.

22. The ‘107 patent includes just one independent claim, claim 1.

23. Transzap has not infringed, either directly, indirectly, by contribution, or by inducement, or in any other way, any claim of the ‘107 Patent, either literally or under the doctrine of equivalents, willfully or otherwise.

24. There is a justiciable controversy between the parties regarding the noninfringement of the ‘107 Patent by Transzap and Transzap is entitled to a declaratory judgment that will finally resolve this issue.

Count II

Declaratory Judgment of Invalidity – ‘107 Patent

25. Transzap incorporates by reference the allegations of paragraphs 1-20 above.

26. On information and belief, the claims of the '107 patent are invalid for failure to comply with one or more of the conditions for patentability set forth in the United States Patent Act, in particular 35 U.S.C. §§ 101-103, 111-112, and 115-116.

27. There is a justiciable controversy between the parties regarding the invalidity of the '107 Patent by Transzap and Transzap is entitled to a declaratory judgment that will finally resolve this issue.

Count III

Declaratory Judgment of Noninfringement – '498 Patent

28. Transzap incorporates by reference the allegations of paragraphs 1-20 above.

29. The '498 patent includes two independent claims: claim 1 and 10.

30. Transzap has not infringed, either directly, indirectly, by contribution, or by inducement, or in any other way, any claim of the '498 Patent, either literally or under the doctrine of equivalents, willfully or otherwise.

31. There is a justiciable controversy between the parties regarding the noninfringement of the '498 Patent by Transzap and Transzap is entitled to a declaratory judgment that will finally resolve this issue.

Count IV

Declaratory Judgment of Invalidity – '498 Patent

32. Transzap incorporates by reference the allegations of paragraphs 1-20 above.

33. On information and belief, the claims of the '498 patent are invalid for failure to comply with one or more of the conditions for patentability set forth in the United States Patent Act, in particular 35 U.S.C. §§ 101-103, 111-112, and 115-116.

34. There is a justiciable controversy between the parties regarding the invalidity of the '498 Patent by Transzap and Transzap is entitled to a declaratory judgment that will finally resolve this issue.

JURY DEMAND

Plaintiff demands that all claims and causes of action raised in this Complaint against Defendant be tried to a jury.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for the following relief:

A. A declaratory judgment that Plaintiff does not infringe and has not infringed, literally or by equivalents, directly or by inducement or contributory infringement, any claim of the '107 patent;

B. A declaratory judgment that the claims of the '107 patent are invalid;

C. A declaratory judgment that Plaintiff does not infringe and has not infringed, literally or by equivalents, directly or by inducement or contributory infringement, any claim of the '498 patent;

D. A declaratory judgment that the claims of the '498 patent are invalid;

E. An order declaring Transzap the prevailing party and that this is an exceptional case, awarding Transzap its costs, expenses, disbursements, and reasonable attorneys' fees under 35 U.S.C. § 285 and all other applicable statutes, rules, and common law;

F. That SCC be ordered to pay all costs associated with this action; and

G. That Transzap be granted any other relief that the Court deems just and proper.

Dated: May 23, 2011

POLSINELLI SHUGHART PC

s/ Keith J. Grady

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